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18 September 1958

MEMORANDUM FOR THE RECORD

SUBJECT: Minutes of Meeting of IAC Working Group on Foreign, Positive, Strategic Intelligence on 18 September 1958

1. The second meeting of the IAC Working Group was held on 18 September 1958 at 10:00 a.m. in the East Building Conference Room. Those present were:

Mr. E. R. Saunders, Chairman
Brig. Gen. John F. Cassidy, Member of President's Board of Consultants on Foreign Intelligence Activities
Mr. Frank Ecker, Bureau of the Budget
Mr. Gerry E. Pettibone, Bureau of the Budget
Mr. Herbert W. Griffin, State
Mr. Earl Churchill, State
Lt. Col. Ray C. Lewis, Army
Col. Harlan K. Holman, Army
Lt. Commander William Novak, Navy
Mr. W. A. Morton, Navy
Lt. Col. Edmond L. Loeliger, Air Force
Mr. Leonard Baldinger, Air Force
Lt. Col. Carl C. Machemer, Air Force
Mr. William A. Smith, Office of Secretary of Defense
Mr. Clyde W. Elliott, Office of Secretary of Defense
Col. George Perry, Joint Staff
Mr. [redacted] National Security Agency
Mr. [redacted] National Security Agency
Dr. Charles Reichardt, Atomic Energy Commission
Mr. [redacted] Chief, Budget Division, CIA
Mr. [redacted] DDS, CIA

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The member from the Federal Bureau of Investigation was not present.

2. Mr. Saunders briefly reviewed what was discussed at the previous meeting for the benefit of those who were not present.

3. Col. Perry asked Gen. Cassidy what, in his opinion, was the purpose of the report and what this report is used for. Gen. Cassidy stated that the President's Board conducts its reviews against the background of NSCID's and other NSC publications and they are required to report to the President twice a year. The President has an interest in the cost of intelligence.

The President, in a request to the DCI for such a report, asked that this

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report contain information on the annual cost of foreign intelligence costs and the budget and personnel required. The Board will make its recommendations to bring about better intelligence, less costly intelligence and can stop duplication and see where there are gaps in this report. The form which has been used up to now was agreed upon by the Office of the Bureau of the Budget and the people within the military departments and other people in the intelligence community. We should endeavor to make a basis for this report so that it will be meaningful to the Board, to Congress and to the President.

4. Col. Perry asked how meaningful this report has been in the past. Gen. Cassidy said that everyone has recognized the shortcoming of the report. Mr. Ecker, ^{of the Bureau of the Budget} further added that it is a well-known fact that Congress has expressed interest in the intelligence costs and we have no reason to believe that this interest is going to diminish. Some effort must be made to provide figures that are reliable so as to reflect the actual cost of intelligence. The Bureau of the Budget hopes that it will be possible to achieve more uniform criteria that will be interpreted on a more standard basis so that when the consumer gets the report he will have a fair idea of the basic criteria and what the figures are intended to mean.

5. Mr. Churchill asked whether any of the committees or sub-committees had ever seen the report in the past. Mr. Ecker stated that, to his knowledge, no copy of this report has ever been furnished them. Mr. Saunders added that it is evident that Congressional committees will follow through on getting such a report. The DCI did furnish to the House Appropriations Committee a report which the IAC prepared but Gen. Cassidy added that had the Congress gone behind the figures, everyone would have been embarrassed.

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6. Col. Perry said he did not understand the need for this report to go before Congress when the budgets for the Services are broken down into intelligence. Mr. Elliott said the budgets are not justified to the Congress on intelligence. The terms are very loose and the terms mean different things to different people. He added that there is a great need for very precise definitions on the terms in this report.

7. Mr. Baldinger brought out the fact that it appeared that the Bureau of the Budget wanted a much more conclusive type of report than the President's Board had a need for. Gen. Cassidy added that the Board would be satisfied with whatever the Bureau of the Budget comes up with. Mr. Ecker said there is a question of the degree of the detail to be included and it is up to the working group to agree on what is to be included and, if necessary, a complete revision of the format used.

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8. said it was his understanding that this report was on an obligation basis. This group will have to agree on what basis this report will be based. He added that in making up the special report going to Congress, it was quite obvious that the definition of intelligence was very loose and everyone had a different idea of what it was. Three things have to be considered in this connection (a) first, what is the objective of intelligence; (b) how can it be used in relationship with the accounts you now have available, and (c) because of the characteristics of the agencies involved after the general definitions are made, there have to be specific resolutions within each agency because of the unique problems within each Agency. Another item that is closely associated with this is the question of the support activities.

9. Mr. Pettibone stated that some agencies reported statistical information that was not arrived at from field installations.

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10. Mr. Pettibone added that in the definition of the total intelligence areas to be covered, you have to make possible a reconciliation of funding sources and distinct programs. There are functional areas that should be recognized such as personnel, maintenance, construction, etc.

11. Mr. Elliott brought out the fact that when the President looks at a report of this type he looks at it in two ways: to see the cost of intelligence and also from the appropriations standpoint.

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12. [] said it was his feeling that there is too much emphasis being put on this report going to the Hill and there should be more interest in this report as a tool.

13. Mr. Saunders said this working group should come up with a decision on the following:

a. What method will we use in solving the problem? The greatest part of the problem lies within the Defense Department. The Chairman suggested that each agency review its situation and come up with its recommendations on how they feel this report should be made up.

b. Should we change the title of this report? In this connection, a clear definition of the report title should be made.

c. Are we going to change the format of the report? Will we increase or decrease its contents?

d. Will this report be based on costs, expenditures or obligations? It was agreed by this working group that this report will be based on obligation basis for the past fiscal year.

e. By what date will this report be ready for submission to the Bureau of the Budget? Mr. Ecker suggested 15 January as a date for the submission of the report, but it was agreed that no date should be set for the final submission of such report. [] suggested 25X1A a deadline for the completion of the plans. Mr. Tolan suggested

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15 November as a deadline for the completion of the plans and it was agreed on by all present.

Mr. Saunders suggested that all departments work this questions over and report back in a month of their progress.

14. The next meeting of the working group was set for 16 October 1958 at 10:00 a.m. in the East Building Conference Room.

E. R. SAUNDERS
Chairman

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